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U.S. PATENT & TRADEMARK OFFICE

**REPORT ON THE
FILING OR DETERMINATION OF AN
ACTION REGARDING A PATENT OR
TRADEMARK**

In Compliance with 35 § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been
filed in the U.S. District Court Northern District California on the ☒ Patents or ☐ Trademarks:

DOCKET NO. CY 09-00972 JCS	DATE FILED 3/5/09	U.S. DISTRICT COURT 450 Golden Gate Avenue, 16 th Floor, Box 36060, SF CA 94102
PLAINTIFF CLARK PERMAR		DEFENDANT SPECTRA WATERMAKERS INC
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 5,462,414		*SEE ATTACH COMPLAINT*
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In the above—entitled case, the following patent(s) have been included:

DATE INCLUDED	INCLUDED BY	<input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
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In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT

CLERK Richard W. Wicking	(BY) DEPUTY CLERK Gina Agustine-Rivas	DATE March 5, 2009
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CLARK PERMAR

E-filing

UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF CALIFORNIA

JCS

CLARK PERMAR,

Plaintiff,

v.

SPECTRA WATERMAKERS, Inc.,

Defendant.

CV 09

Civil Action No.

0972

**COMPLAINT FOR DECLARATORY
RELIEF, FOR INFRINGEMENT OF
PATENT, FOR INJUNCTIVE RELIEF,
AND FOR DAMAGES**

JURISDICTION AND VENUE

1. Plaintiff CLARK PERMAR ("Permar") is an individual, the owner of that certain patent described below, and whose principal place of residence is in the State of Oregon.

2. Defendant SPECTRA WATERMAKERS, INC., ("Spectra") is a corporation duly organized and existing under the laws of the State of California, with its principal place of business located in the City of San Rafael, County of Marin, State of California.

3. On or about March 15, 2004, the parties entered into the written agreement referred to below in Marin County, California, which agreement was to be performed in Marin County, California.

I hereby certify that the annexed instrument is a true and correct copy of the original on file in my office.

ATTEST:

RICHARD W. WIEKING

Clerk, U.S. District Court

Northern District of California

By _____

Deputy Clerk

Date MAR 6 2008

COMPLAINT FOR DECLARATORY RELIEF, FOR INFRINGEMENT OF PATENT,
FOR INJUNCTIVE RELIEF, AND FOR DAMAGES

MA AGUSTINE

1 4. This is a suit seeking a declaratory Judgment of patent validity, and for patent
2 infringement pursuant to 28 U.S.C. Secs. 2201 and 2202, and jurisdiction is conferred by
3 28 U.S.C. Secs. 1331 and 1338. Venue is in the Northern District of California.

4 **Factual Allegations**

5 5. Plaintiff CLARK PERMAR is the original inventor of certain new and useful
6 improvements in converting seawater to freshwater, utilizing his patented pressure
7 intensification pump (the "Clark Pump™") in a marine reverse osmosis system,
8 commonly known as a "watermaker". On October 31, 1995, United States Patent #
9 5,462,414 ("the '414 patent") was duly and legally issued to Permar, and since that date
10 Permar has been and still is the owner of that Patent. A copy of the Patent is attached
11 hereto and marked Exhibit "A".

12 6. On or about February 10, 1997, Permar entered into a licensing agreement
13 with the predecessors in interest of Defendant SPECTRA WATERMAKERS, INC.,
14 ("Spectra") whereby in consideration for the payment of royalties, Permar licensed the
15 right to use his patent for the manufacture and sale of watermakers. In 1999, that
16 licensing agreement was superseded by a subsequent licensing agreement with
17 Defendant Spectra.

18 7. In March, 2002, a dispute arose between Permar and Spectra regarding the
19 payment of royalties, resulting in an action being filed by Permar on March 11, 2002 in
20 the Superior Court of California, County of Marin, Action # CV 021220.

21 8. The state court action was set for trial in June, 2003, but on June 18, 2003,
22 Spectra filed suit against Permar in the U.S. District Court For The Northern District of
23 California, Action # C03-2849 VRW. The suit sought a declaratory Judgment that the
24 '414 was invalid, void and unenforceable, and that Spectra was not obligated to pay
25 royalties thereon to Permar. The state court action was stayed once the federal court
26 action was filed.

27 9. The federal court action was referred to the Early Neutral Evaluation
28 program, and Edward V. King, Jr. was appointed by the Court as the evaluator. After

1 meeting with the parties, in March, 2004, the parties reached settlement of their dispute
2 and executed a Settlement Agreement and Mutual General Release, a copy of which is
3 marked Exhibit "B", attached hereto and incorporated herein by reference.

4 10. At the time Settlement Agreement was executed, there was pending with the
5 United States Patent and Trademark Office ("USPTO") a Request For Reexamination of
6 the '414 Patent filed by Spectra.

7 11. Pursuant to the terms of the Settlement Agreement, if the USPTO, acting
8 upon Spectra's Request For Reexamination of the '414 Patent, required Permar to amend
9 or modify the independent claims of his patent in order to maintain the validity of the
10 '414 Patent as to the Clark Pump currently manufactured and marketed by Spectra, then
11 the patent would be deemed invalid. However, if Permar was not required to amend or
12 modify the '414 Patent by the USPTO then the '414 Patent was deemed valid for
13 purposes of the Settlement Agreement.

14 12. On June 24, 2005, the U.S.P.T.O. issued its Office Action In Ex Parte
15 Reexamination, a copy of which is attached hereto as Exhibit "C". The U.S.P.T.O.
16 rejected preliminary claims found in Claims 1-7, inclusive, but upheld the patentability
17 of Permar's technology (known as the Clark Pump) found in Claims 8-10, inclusive.
18 (See Statement of Reasons For Patentability And/Or Confirmation). The unique
19 technology of the Clark Pump™ is found in claims 8-10, inclusive, of the '414 Patent, as
20 shown by Exhibit "C", were upheld by the USPTO, without any amendment or
21 modification required of Permar. Therefore, the '414 Patent is valid within the meaning
22 of the Settlement Agreement. An Ex Parte Certificate of Reexamination of the '414
23 patent was issued by the USPTO on October 24, 2006, consistent with Exhibit "C".

24 13. Following receipt of the Reexamination Certificate, Permar made demand
25 upon Spectra to provide him with an accounting and payment of all royalties due.
26 Spectra rejected the demand, contending that the '414 patent was not declared valid, as
27 that term is defined in the Settlement Agreement. Resolution of that dispute was
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1 subject to mediation under Paragraph 13.B. of the Settlement Agreement before suit
2 could be filed.

3 14. On February 14, 2007, the parties attempted mediation with Mr. King, but
4 were unsuccessful. On March 8, 2007, Spectra filed suit in the Superior Court of Marin
5 County, Action # CV 071033, seeking a declaratory Judgment that the '414 patent was
6 not valid as that term was defined and contemplated by the parties in their Settlement
7 Agreement. On June 25, 2007, Permar filed a Cross-Complaint.

8 15. On October 30, 2007, Spectra filed a second Request For Ex Parte
9 Reexamination, addressed to claims 8-10 of the '414 Patent, and the State court action
10 was stayed. The second Request was based on Spectra's contention that the apparatus
11 described in Claim 8 is reflective of prior art, or that it was obvious.

12 16. On August 29, 2008, the USPTO issued its Ex Parte Reexamination
13 Communication, a copy of which is attached hereto as Exhibit "D". The Notice of
14 Intent To Issue an Ex Parte Reexamination Certificate includes a Statement of Reasons
15 For Patentability And/Or Confirmation which confirm Claims 8, 9 and 10 of the '414
16 patent. It also confirms new Claims 11 and 12, which are not relevant to this litigation.

17 17. On November 6, 2008, after the time for Spectra to appeal the USPTO decision
18 had expired, Permar made demand upon Spectra for payment of all royalties due from
19 the sales of the Clark Pump. Spectra failed to respond to that demand.

20 18. On December 9, 2008, Permar sent Spectra Notice of Termination of License
21 stating that due to Spectra's failure to pay royalties and other sums due, Permar was
22 exercising his right to terminate Spectra's license to utilize the '414 Patent, or to
23 manufacture, market or sell the Clark Pump and requires Spectra to cease and desist
24 from doing so. A copy of that notice is attached hereto as Exhibit "E". Spectra has
25 ignored the Notice, continues to sell the Clark Pump, and continues to refuse to pay any
26 royalties to Permar.

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1 **FIRST CAUSE OF ACTION - DECLARATORY RELIEF**

2 19. A dispute has arisen between the parties concerning the interpretation of the
3 Settlement Agreement, and interpretation of the USPTO's action on Spectra's First and
4 Second Requests For Reexamination. Spectra contends that the USPTO's of
5 Reexamination of the '414 Patent results in the patent not being "valid" as that term was
6 intended and used by the parties. Permar contends to the contrary, and maintains that
7 the decisions of the USPTO results in the patent being valid, as that term was used and
8 intended by the parties.

9 20. Permar contends that he is entitled to all past and future royalties due under
10 the Settlement Agreement. Spectra contends to the contrary.

11 21. Permar seeks a declaration from the court as follows:

12 (a) that the '414 patent is valid, as that term was intended and used by the
13 parties in the Settlement Agreement, and in accordance with the actions of the USPTO;

14 (b) that Permar is entitled to all past and future royalties, and other sums, all
15 as set forth in the Settlement Agreement.

16 **SECOND CAUSE OF ACTION - PATENT INFRINGEMENT**

17 22. By manufacturing, assembling, marketing and selling the watermaker
18 systems utilizing Permar's patented technology without payment of royalties to Permar,
19 and by continuing to do so after both of the USPTO's Reexaminations, as set forth in
20 Exhibits "C" and "D", Spectra was and is infringing on Permar's Patent. Such
21 infringement is deliberate, willful, intentional and with full knowledge of the existence
22 and validity of Permar's Patent.

23 **THIRD CAUSE OF ACTION - INJUNCTION**

24 23. Spectra's conduct as described above is injurious to Permar in that Spectra is
25 manufacturing, advertising, selling and/or distributing said watermaker systems
26 utilizing Permar's patented technology without license or right to do so. In view of the
27 fact that the damages Permar has sustained and will sustain in the future on account of
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1 Spectra's infringement are uncertain and impossible to calculate accurately, Permar has
2 no adequate remedy at law.

3 24. As a result thereof, Permar is entitled to enjoin Spectra from continuing to
4 manufacture, advertise, sell and/or distribute the Clark Pump™.

5 **FOURTH CAUSE OF ACTION - DAMAGES**

6 25. As a further proximate result of Spectra's conduct, as alleged, Spectra has
7 breached the Settlement Agreement, and said breach has caused Permar to suffer
8 damages in an amount equal to all royalties due under the Settlement Agreement,
9 according to proof, plus release of funds on deposit pursuant to the Settlement
10 Agreement. The total amount of said damages through February 15, 2009 is \$332,950.

11 **WHEREFORE, Plaintiff requests:**

12 1. Judgment that the '414 Patent is valid as that term was intended and used by
13 the parties in the Settlement Agreement, and as established by the USPTO.

14 2. Judgment that Plaintiff is entitled to all past and future royalties due under
15 the Settlement Agreement.

16 3. Judgment that Spectra has infringed and is infringing on the '414 Patent.

17 4. Judgment that Spectra, and its officers, directors, agents and employees be
18 preliminarily and permanently enjoined from manufacturing, advertising, selling
19 and/or distributing the Clark Pump™.

20 5. Judgment awarding Plaintiff damages in the amount of \$332,950, plus such
21 amounts as are due him by the computation of royalties in accordance with the method
22 of calculations set forth in the Settlement Agreement.

23 6. Judgment for such damages to be trebled because of the willful and deliberate
24 character of the infringement, as provided by 35 U.S.C. §284;

25 7. Judgment for an award of costs of suit and attorney's fees to Plaintiff; and
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8. For such other and further relief as the court deems proper.

DATED: March 5, 2009

JACK SIEDMAN


Attorney for Plaintiff CLARK PERMAR



US005462414A

United States Patent [19]

[11] Patent Number: 5,462,414

Permar

[45] Date of Patent: Oct. 31, 1995

[54] LIQUID TREATMENT APPARATUS FOR PROVIDING A FLOW OF PRESSURIZED LIQUID

[76] Inventor: Clark Permar, P.O. Box 701, Bolinas, Calif. 94924

[21] Appl. No.: 375,530

[22] Filed: Jan. 19, 1995

[51] Int. Cl.⁶ F04B 39/16

[52] U.S. Cl. 417/313; 417/225; 417/404

[58] Field of Search 417/313, 225, 417/393, 404

[56] References Cited

U.S. PATENT DOCUMENTS

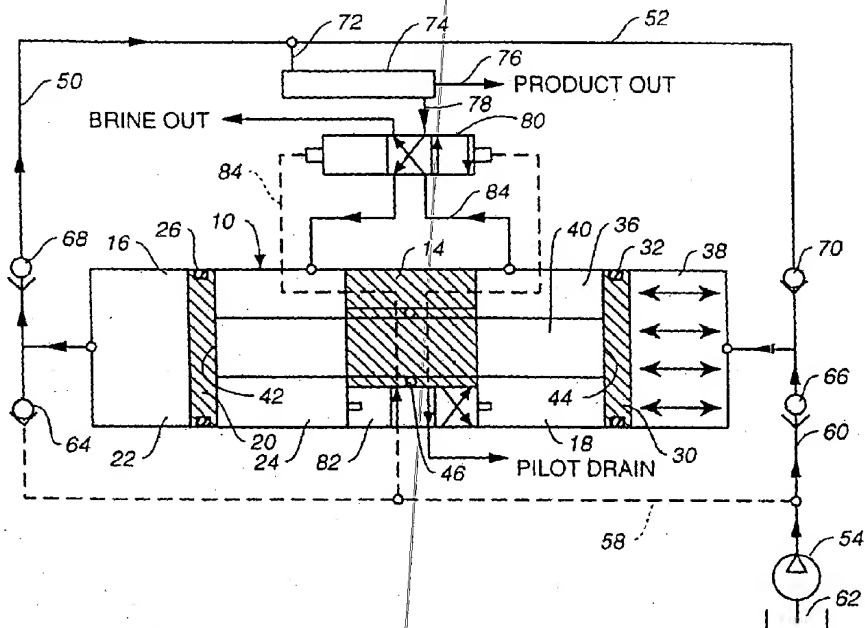
4,793,153 12/1988 Hembree et al.

Primary Examiner—Richard A. Bertsch
 Assistant Examiner—Charles G. Freay
 Attorney, Agent, or Firm—Thomas R. Lampe

[57] ABSTRACT

Apparatus for providing a flow of pressurized liquid includes a hydraulic cylinder, a divider within the cylinder interior, and floating piston heads positioned in the cylinder interior on opposite sides of the divider. A double ended ram member is movably mounted in the divider and engages the piston heads. Liquid flow paths extend between subcompartments on opposite sides of the piston heads. A source of pressurized liquid delivers liquid under relatively low pressure to reciprocally move the piston heads and ram member causing intensification of pressure of liquid displaced from the cylinder. In a preferred embodiment, excess pressurized liquid passes through a filter to separate the liquid into permeate and concentrate portions.

10 Claims, 2 Drawing Sheets



EX "A"